

**ASSEMBLY BILL**

**No. 1323**

**Introduced by Assembly Member Jackson**

February 21, 2003

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An act relating to student financial aid, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1323, as introduced, Jackson. Student financial aid: Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program: decentralized campus-based approach.

Existing law, known as the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, establishes the Cal Grant A and B entitlement awards, the California Community College Transfer Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions.

This bill would express legislative intent to direct the Student Aid Commission to implement, by March 1, 2004, a decentralized, campus-based approach for the delivery of Cal Grant awards. The bill would require the Student Aid Commission to establish an Entitlement Cal Grant Transition Delivery Logistics Work Group and a Competitive Cal Grant Transition Delivery Logistics Work Group, with prescribed membership, to discuss, negotiate, and resolve technical and logistical issues relating to the transition to a decentralized, campus-based approach for the administration of these respective categories of Cal Grant awards.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. It is the intent of the Legislature to accomplish  
2 both of the following:

3 (a) To endorse the proposal to move to a decentralized,  
4 campus-based approach to the delivery of both Cal Grant  
5 entitlement and competitive awards, an approach that is more  
6 consistent with the federal student aid delivery system.

7 (b) To direct the Student Aid Commission to implement a  
8 decentralized, campus-based approach, as set forth in Sections 2  
9 and 3 of the act adding this section, by March 1, 2004.

10 SEC. 2. (a) The recommended decentralized, campus-based  
11 delivery approach for Cal Grant entitlement awards includes all of  
12 the following:

13 (1) Continuing a merit component in the Cal Grant Programs  
14 as reflected in the minimum grade point average requirements.

15 (2) Allowing student choice of postsecondary education  
16 institutions.

17 (3) Allowing students to renew their Cal Grant awards,  
18 provided that they continue to demonstrate financial need.

19 (4) Continuing, at the same level as now exists, student  
20 portability of their Cal Grant award.

21 (5) A resource component reflected in the income and asset  
22 ceilings and minimum need requirement.

23 (6) Provisions that encourage students to enroll in college  
24 directly out of high school.

25 (7) Application deadlines that serve as rationing mechanisms  
26 for limited state resources.

27 (b) Under the recommended decentralized, campus-based  
28 delivery approach, an eligible postsecondary education institution  
29 would do all of the following:

30 (1) According to state law and Student Aid Commission  
31 guidelines and regulations, determine students' eligibility for new  
32 or renewal Cal Grant A, B, and Community College Transfer  
33 entitlement awards. Institutions would make this determination



1 using information from students' institutional student information  
2 records (expected family contribution, residency, appropriate  
3 income and asset ceilings), the institutions' own student expense  
4 budgets, high school graduation dates, and grade point averages  
5 (GPAs) contained in the comprehensive grade point average  
6 database to be developed and maintained by the California Student  
7 Aid Commission.

8 (2) Include Cal Grant awards in their typical financial aid  
9 award letters to students.

10 (3) Electronically transmit students' awards, education level,  
11 and any other data in a timely manner, as required by the Student  
12 Aid Commission for payment, to maintain the Student Aid  
13 Commission's records relating to students' remaining Cal Grant  
14 eligibility, and for future research and policy planning purposes.

15 (4) Provide data as required by the Governor, Legislature, and  
16 the Student Aid Commission needed for program accountability,  
17 planning, and performance reporting purposes.

18 (c) Under the recommended decentralized, campus-based  
19 delivery approach, the Student Aid Commission would do all of  
20 the following:

21 (1) Retain responsibility for policy, planning, and research  
22 concerning statewide student financial aid programs, including the  
23 Cal Grant Programs, analyzing the need for additional statewide  
24 student financial aid programs and additional state funding for  
25 these programs, as well as understanding, documenting, and  
26 publicizing total student need and unmet student financial need.

27 (2) Develop and maintain a comprehensive database  
28 containing information concerning grade point averages and high  
29 school graduation dates.

30 (3) Develop and maintain a database accessible to  
31 postsecondary education institutions participating in the state's  
32 Cal Grant programs that tracks students' remaining Cal Grant  
33 eligibility. Institutions would use this database to determine a  
34 student's continued eligibility for the renewal of his or her Cal  
35 Grant award.

36 (4) Issue payments to postsecondary education institutions on  
37 behalf of the students identified by the institutions as eligible.

38 (5) Develop rules for institutional participation in the Cal Grant  
39 Programs.

(6) After consultation with all affected constituencies, publish appropriate rules, regulations, guidelines, and procedures relating to all aspects of the decentralized, campus-based Cal Grant Entitlement Award program.

(7) Revise its program review and institutional audit practices as needed in light of the recommended changes in the Cal Grant Entitlement award delivery process.

(8) Retain responsibility for outreach to students relating to the student financial aid writ large, including publicizing and promoting student financial aid programs statewide.

(d) Under the recommended decentralized, campus-based delivery approach, students would continue to be responsible for all of the following:

(1) Filing a Free Application for Federal Student Aid (FAFSA) by the March 2 deadline, and submitting any updates to the federal processor.

(2) Working with the school financial aid office to establish their complete financial aid package, including their eligibility for a Cal Grant award.

(3) Responding to prompts when additional information is required to process their applications for student financial aid.

(4) In limited circumstances, submitting a GPA Verification Form if their high school does not transmit their grade point average information or high school graduation data to the Student Aid Commission.

(e) (1) An Entitlement Cal Grant Transition Delivery Logistics Work Group shall be established by the Student Aid Commission to discuss, negotiate, and resolve the myriad technical and logistical issues associated with transitioning from the current centralized delivery mechanisms to the recommended decentralized, campus-based approach for the Cal Grant Entitlement award programs.

(2) The Entitlement Cal Grant Transition Delivery Logistics Work Group shall be composed, at a minimum, of representatives from the Student Aid Commission, California's postsecondary education segments, the State Department of Education, high school counselors and administrators, practicing student financial aid administrators, the Department of Finance, the Legislative Analyst's Office, interested legislative staff, and the California Postsecondary Education Commission.



1 SEC. 3. (a) The state shall undertake a transition toward a  
2 decentralized, campus-based approach for the delivery of Cal  
3 Grant competitive awards that would delegate the task of selecting  
4 award recipients to participating institutions while preserving the  
5 essential elements of the current Cal Grant competitive program,  
6 including all of the following:

7 (1) All of the existing eligibility requirements.

8 (2) Scoring and selection criteria that reflect the state's  
9 priorities as specified in statute.

10 (3) Application deadlines that serve as rationing mechanisms  
11 for limited state resources.

12 (b) Under the decentralized, campus-based approach for the  
13 delivery of Cal Grant competitive awards, the Student Aid  
14 Commission would do all of the following:

15 (1) Allocate competitive awards to colleges, which would  
16 award them competitively to eligible students based upon criteria  
17 established by the state and commission.

18 (2) Develop criteria to be used by institutions in selecting  
19 competitive Cal Grant award recipients.

20 (3) Track remaining eligibility, which institutions would use to  
21 determine eligibility awards.

22 (4) Issue payments on behalf of recipients identified by the  
23 institutions.

24 (5) Adapt its program review and audit practices as  
25 appropriate.

26 (6) Retain responsibility for publicizing and promoting the  
27 program to students.

28 (c) For the Cal Grant competitive program, participating  
29 postsecondary education institutions would do all of the  
30 following:

31 (1) Initiate the competitive awards based upon selection  
32 criteria as defined by the Student Aid Commission and in  
33 accordance with current statutory requirements.

34 (2) Include Cal Grant awards in their standard award letters to  
35 students.

36 (3) Electronically transmit students' awards, education level,  
37 and any other necessary data to the Student Aid Commission for  
38 payment and to maintain commission's records of students'  
39 remaining eligibility.

1 (4) Report any information to the Student Aid Commission  
2 needed for the commission's competitive allocation process.

3 (d) Under the decentralized, campus-based approach for the  
4 delivery of Cal Grant competitive awards, students would  
5 continue to be responsible for all of the following:

6 (1) Filing a FAFSA by the March 2 and September 2 deadlines,  
7 and submitting any updates to the federal processor.

8 (2) Submitting a GPA Verification Form if their high school  
9 does not transmit this information electronically.

10 (3) Working with the school financial aid office to establish  
11 their financial aid package, including their eligibility for a Cal  
12 Grant award.

13 (e) (1) A competitive Cal Grant Transition Delivery Logistics  
14 Work Group shall be established by the Student Aid Commission  
15 to discuss, negotiate, and resolve the myriad technical and  
16 logistical issues associated with transitioning from the current  
17 centralized delivery mechanisms to the recommended  
18 decentralized, campus-based approach for the Cal Grant  
19 competitive program.

20 (2) The Competitive Cal Grant Transition Delivery Logistics  
21 Work Group shall be composed, at a minimum, of representatives  
22 from the Student Aid Commission, California's postsecondary  
23 education systems, the State Department of Education, high  
24 school counselors and administrators, practicing student financial  
25 aid administrators, students, the Department of Finance, the  
26 Legislative Analyst's Office, interested legislative staff, and the  
27 California Postsecondary Education Commission.

28 SEC. 4. This act is an urgency statute necessary for the  
29 immediate preservation of the public peace, health, or safety  
30 within the meaning of Article IV of the Constitution and shall go  
31 into immediate effect. The facts constituting the necessity are:

32 In order for the necessary groundwork to be done by the  
33 Entitlement Cal Grant Transition Delivery Logistics Work Group  
34 and the Competitive Cal Grant Transition Delivery Logistics Work  
35 Group in a timely fashion, it is necessary that this act take effect  
36 immediately.